

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:

BROUGHER, INC.,

DEBTOR.

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Case No. 16-35575

Chapter 11

NOTICE OF SETTLEMENT

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

COMES NOW John Baumgartner, Trustee of the Brougher Litigation Trust and together with TNN Manufacturing Co., Inc. ("TNN") (collectively, the "Parties"), and hereby files this Notice of Settlement and in support thereof, respectfully shows as follows:

SETTLEMENT

On November 2, 2016 ("Petition Date"), Debtor Brougher, Inc. filed a petition for relief under chapter 11 of title 11, United States Code ("Bankruptcy Code"), in the United States Bankruptcy Court for Southern District of Texas, Houston Division ("Bankruptcy Court").

WHEREAS, on July 28, 2017, this Court entered an Order Confirming Debtor's Third Amended Combined Disclosure Statement and Plan of Liquidation ("Plan") (Doc. No. 142). This Order confirmed the terms of Article 8 of the Plan, which created the Brougher Litigation Trust and provided for title to the Debtor's assets to vest in the Liquidation Trust (Doc. No. 142-1, p. 27). The Order also confirmed that John Baumgartner would serve as the Trustee of the Brougher Litigation Trust pursuant to the terms and conditions of the Plan, the Order, and the Trust Agreement. Finally, the Order confirmed that pursuant to the Plan, the Brougher Litigation Trust was assigned certain defined Causes of Action including avoidance actions (Doc. No. 142, p. 3).

WHEREAS, the Trustee has identified several transfers that the Debtor made to TNN that it has investigated as potential preferences and/or fraudulent transfers;

WHEREAS, TNN asserts that the transfers do not qualify as preferences and/or fraudulent transfers under applicable bankruptcy and non-bankruptcy law;

WHEREAS, the Parties wish to resolve all of the issues described above, as provided below:

The Parties hereby agree to the following:

- A. TNN shall pay \$14,880.00 to the Brougher Litigation Trust in full satisfaction of any claims and/or causes of action arising from or related to the above referenced issues.
- B. Any claims and/or causes of action the Debtor or the Brougher Litigation Trust owns, or may own, against TNN, are hereafter released and forever barred.
- C. TNN shall retain any and all claim(s), interest(s), and/or right(s) it has as a pre-petition creditor of the Debtor and/or beneficiary of the Brougher Litigation Trust.

Respectfully submitted on this 18th day of April, 2018.

[Signature Page to Follow]

THE FOREGOING SETTLEMENT IS AGREED TO BY:

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